EXHIBIT E

WISEBITS IP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2019

DIRECTOR

SECRETARY

WISEBITS IP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS

WISEBITS IP LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Constantinos Christoforou
Company Secretary:	Constantinos Christoforou
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors Maximos Plaza, Tower 1, 3rd Floor 213 Arch. Makariou III Avenue 3030 Limassol Cyprus
Legal Advisers:	D. Papachilleos & Co. LLC, Cyprus
Registered Office:	Arch. Makariou III, 132 Sagro Building 3021, Limassol Cyprus
Banker:	Bendura Bank AG, Liechtenstein
Registration Number:	HE 348035

WISEBITS IP LIMITED

MANAGEMENT REPORT

The Board of Directors of Wisebits IP Limited (the "Company") presents to the members its management report and audited financial statements of the Company for the year ended 31 December 2019.

Incorporation
The Company was incorporated in Cyprus on 20 October 2015 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Company
The principal activity of the Company is the ownership and exploitation of intellectual property rights.

Review of current position, future developments and performance of the Company's business
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

The Board of Directors does not expect major changes in the principal activities of the Company in the foreseeable future.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in note 5 of the financial statements.

Existence of branches
The Company does not maintain any branches.

Results
The Company's results for the year are set out on page 6.

Dividends
The Board of Directors does not recommend the payment of a dividend.

Share capital
There were no changes in the authorised and issued share capital of the Company during the year.

Board of Directors
The sole member of the Company's Board of Directors as at 31 December 2019 and at the date of this report is presented on page 1. The sole Director was a member of the Board of Directors throughout the year ended 31 December 2019.

In accordance with the Company's Articles of Association the sole Director presently member of the Board continues in office.

There were no significant changes in the remuneration of the Board of Directors.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 17 to the financial statements.

Independent Auditors
The independent auditors, Deloitte Limited, have expressed their willingness to continue in office and a resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Constantinos Christoforou
Director

Limassol, 31 March 2021

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Independent Auditor's Report

To the Members of Wisebits IP Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wisebits IP Limited (the "Company"), which are presented in pages 6 to 19 and comprise the statement of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of profit or loss but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Independent Auditor's Report (continued)

To the Members of Wisebits IP Limited (continued)

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte.

Independent Auditor's Report (continued)

To the Members of Wisebits IP Limited (continued)

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Kyriakos Vlachos
Certified Public Accountant and Registered Auditor
for and on behalf of

Deloitte Limited
Certified Public Accountants and Registered Auditors
Maximos Plaza, Tower 1, 3rd Floor
213 Arch. Makariou III Avenue
3030 Limassol
Cyprus

Limassol, 31 March 2021

WISEBITS IP LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US$	2018 US$
Revenue	7	**22.067.020**	14.928.027
Amortisation expense	11	**(9.739.548)**	(9.739.547)
Administration expenses		**(715.248)**	(356.186)
Operating profit	8	**11.612.224**	4.832.294
Finance costs	9	**(305)**	(776)
Net foreign exchange gain		**2.368**	2.731
Profit before income tax		**11.614.287**	4.834.249
Income tax	10	**(160.314)**	-
Profit for the year		**11.453.973**	4.834.249
Other comprehensive income		**-**	-
Total comprehensive income for the year		**11.453.973**	4.834.249

The notes on pages 10 to 19 form an integral part of these financial statements.

WISEBITS IP LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-current assets			
Intangible assets	11	-	9.739.548
Trade and other receivables	12	**1.137**	1.137
		1.137	9.740.685
Current assets			
Trade and other receivables	12	**27.001.690**	10.126.934
Refundable taxes		**55.977**	136.494
Cash and bank balances	13	**-**	99.317
		27.057.667	10.362.745
TOTAL ASSETS		**27.058.804**	20.103.430
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**108.750**	108.750
Retained earnings/(accumulated losses)		**7.112.612**	(4.341.361)
		7.221.362	(4.232.611)
Non-current liabilities			
Trade and other payables	15	**17.216.388**	24.166.157
		17.216.388	24.166.157
Current liabilities			
Trade and other payables	15	**2.621.054**	169.884
		2.621.054	169.884
Total liabilities		**19.837.442**	24.336.041
TOTAL EQUITY AND LIABILITIES		**27.058.804**	20.103.430

On 31 March 2021 the Board of Directors of Wisebits IP Limited authorised these financial statements for issue.

....
Constantinos Christoforou
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

WISEBITS IP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital US$	Share premium US$	Retained earnings/ (accumulated losses) US$	Total US$
Balance at 1 January 2018	**108.750**	**26.099.790**	**(9.175.610)**	**17.032.930**
Profit for the year	-	-	4.834.249	4.834.249
Reduction of share premium	-	(26.099.790)	-	(26.099.790)
Balance at 1 January 2019	**108.750**	-	**(4.341.361)**	**(4.232.611)**
Profit for the year	-	-	11.453.973	11.453.973
Balance at 31 December 2019	**108.750**	-	**7.112.612**	**7.221.362**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% and GHS contribution at 1,7%-2,65% for deemed distributions after 1 March 2019 will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

WISEBITS IP LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 US$	2018 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**11.614.287**	4.834.249
Adjustments for:			
Amortisation expense	11	**9.739.548**	9.739.547
		21.353.835	14.573.796
Changes in working capital:			
Increase in trade and other receivables		**(16.874.756)**	(9.453.609)
Decrease in trade and other payables		**(4.498.599)**	(4.962.304)
Cash (used in)/generated from operations		**(19.520)**	157.883
Income tax paid		**(79.797)**	(136.494)
Net cash (used in)/generated from operating activities		**(99.317)**	21.389
Net (decrease)/increase in cash and cash equivalents		**(99.317)**	21.389
Cash and cash equivalents at beginning of the year		**99.317**	77.928
Cash and cash equivalents at end of the year	13	**-**	99.317

The notes on pages 10 to 19 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Incorporation and principal activities

Country of incorporation

Wisebits IP (the "Company") was incorporated in Cyprus on 20 October 2015 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Arch. Makariou III, 132, Sagro Building, 3021, Limassol, Cyprus.

Principal activity

The principal activity of the Company is the ownership and exploitation of intellectual property rights.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable goods and services provided in the normal course of business, net of discounts and sales related taxes.

Revenues earned by the Company are recognised on the following bases:

- **Royalty income**

  Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US$), which is the Company's functional and presentation currency.

4. Significant accounting policies (continued)

Foreign currency translation (continued)

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Income tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's directors.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The useful life used in the calculation of the amortisation of the trademark is:

Trademarks	5 years

Financial instruments

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("FVOCI") or through profit or loss ("FVTPL"), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI to be classified at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The financial assets at amortised cost are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. This election is made on an investment-by-investment basis.

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets - Classification (continued)

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Financial assets - Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets - Impairment - credit loss allowance for ECL

The Company assesses on a forward looking basis the expected credit loss ("ECL") for debt instruments measured at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income. Debt instruments measured at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

For all other financial assets that are subject to impairment under IFRS 9, the Company applies the general approach. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 month ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets - Impairment - credit loss allowance for ECL (continued)

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. If the credit risk of the financial instrument is low at the reporting date, it can be assumed that credit risk on the financial instrument has not increased significantly since initial recognition and the expected credit losses are measured at an amount equal to the 12 month ECL.

Refer to note 5, credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - Write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial liabilities - Measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. Financial risk management

Financial risk factors
The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

5.1 Credit risk
Credit risk refers to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company has the following types of financial assets that are subject to the expected credit loss model:

- receivables from related parties
- bank balances

Receivables (receivables from related parties)
In determining the recoverability of receivables, the Company performs a risk analysis in accordance with the ECL method considering their credit quality, the age of the outstanding amount and any past default experience. The expected credit loss rates applied to the receivables are close to zero, which represent the historical default rates experienced by the Company, adjusted to reflect forward looking information on macroeconomic factors and industry default rates and loss rates affecting the ability of the debtors to settle the receivables. On that basis, the loss allowance as at 31 December 2019 for receivables was assessed to be minimal and no loss allowance has been recognized in the financial statements.

Bank balances
The Company's bank balances are US$nil (2018: US$99.317).

The Company measures its expected credit loss for its bank balances by reference to the bank's external credit ratings and relevant published default rates. On that basis, the loss allowance as at 31 December 2019 for the Company's bank balances was assessed to be minimal and no loss allowance has been recognized in the financial statements.

5.2 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

5.3 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

5.4 Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

6. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Critical accounting estimates and judgments (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Impairment of intangible assets**

  Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

7. Revenue

	2019 US$	2018 US$
Royalty income (Note 17.1)	22.067.020	14.928.027
	22.067.020	14.928.027

8. Operating profit

	2019 US$	2018 US$
Operating profit is stated after charging the following items:		
Amortisation expense (Note 11)	9.739.548	9.739.547
Auditor's remuneration	6.742	5.397

9. Finance costs

	2019 US$	2018 US$
Bank charges	305	776
Finance costs	305	776

10. Income tax

	2019 US$	2018 US$
Corporation tax	160.314	-
Charge for the year	160.314	-

10. Income tax (continued)

The total charge for the year can be reconciled to the accounting profit as follows:

	2019 US$	2018 US$
Profit before income tax	**11.614.287**	4.834.249
Income tax calculated at the applicable tax rates	**1.451.786**	604.281
Tax effect of expenses not deductible for income tax purposes	**1.231.127**	1.228.857
Tax effect of allowances and income not subject to income tax	**(2.383.874)**	(1.701.717)
Tax effect of tax losses brought forward	**(138.725)**	(131.421)
Tax charge	**160.314**	-

The Company is subject to corporation tax on taxable profits at the rate of 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

The Company's chargeable income for the year amounted to US$2.392.315 which has been set off against tax losses brought forward. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

11. Intangible assets

	Patents and trademarks US$
Cost	
Balance at 1 January 2018	48.697.506
Balance at 1 January 2019	**48.697.506**
Balance at 31 December 2019	**48.697.506**
Amortisation	
Balance at 1 January 2018	29.218.411
Charge for the year	9.739.547
Balance at 1 January 2019	**38.957.958**
Charge for the year	9.739.548
Balance at 31 December 2019	**48.697.506**
Net book amount	
Balance at 31 December 2019	-
Balance at 31 December 2018	**9.739.548**

12. Trade and other receivables

	2019 US$	2018 US$
Receivables from related parties (Note 16.3)	**26.975.633**	10.111.825
Refundable VAT	**27.194**	16.246
	27.002.827	10.128.071
Less non-current receivables	**(1.137)**	(1.137)
Current portion	**27.001.690**	10.126.934

12. Trade and other receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 5 of the financial statements.

13. Cash and bank balances

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

Cash and cash equivalents by type:

	2019 US$	2018 US$
Cash at bank	-	99.317
	-	99.317

14. Share capital

	2019 Number of shares	2019 €	2018 Number of shares	2018 €
Authorised				
Ordinary shares of €1 each	100.000	100.000	100.000	100.000
		US$		US$
Issued and fully paid				
Balance at 1 January	100.000	108.750	100.000	108.750
Balance at 31 December	100.000	108.750	100.000	108.750

15. Trade and other payables

	2019 US$	2018 US$
Payables to related parties (Note 16.4)	2.608.512	159.089
Shareholders' balances (Note 16.5)	17.216.388	24.166.157
Other payables and accruals	12.542	10.795
	19.837.442	24.336.041
Less non-current payables	(17.216.388)	(24.166.157)
Current portion	2.621.054	169.884

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

16. Related party transactions

The Company is controlled by Online Media IP Holding Ltd, incorporated in Antigua, which owns 100% of the Company's shares.

WISEBITS IP LIMITED

ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 US$	2018 US$
Administration expenses		
Annual levy	390	410
Sundry expenses	1.435	-
Auditors' remuneration	6.742	5.397
Legal fees	855	2.664
Professional fees	4.195	617
Travelling	1.118	-
Software subscriptions and support fees	167	5.725
Recharge of expenses	201.241	207.810
Consultancy fees	499.105	133.563
	715.248	356.186

WISEBITS IP LIMITED

FINANCE COSTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 US$	2018 US$
Finance costs		
Bank charges	**305**	776
	305	776

WISEBITS IP LIMITED

COMPUTATION OF CORPORATION TAX
FOR THE YEAR ENDED 31 DECEMBER 2019

	Page	US$	US$
Profit per income statement	20		11.614.287
Add:			
Amortisation of intangible assets		9.739.548	
Annual levy		390	
Interest imposed under the arm length principles - related parties		109.085	
			9.849.023
			21.463.310
Less:			
Capital allowances	23	9.739.501	
80% of the profit from the exploitation of intangible assets		9.291.430	
Net foreign exchange gains		2.368	
Corresponding adjustment on related party transactions		31.930	
Notional Interest Deduction		5.766	
			(19.070.995)
Chargeable income for the year			2.392.315
			€
Converted into € at US$ 1,119860 = €1			2.136.263
Loss brought forward			(991.019)
Chargeable income			1.145.244

Calculation of corporation tax	Income €	Rate %	Total € c
Income tax at normal rates:			
Chargeable income as above	1.145.244	12,50	143.155,50
Income tax paid provisionally	1.152.000		(144.000,00)
TAX REFUNDABLE			(844,50)